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10 October 1955

MEMORANDUM FOR: Deputy Director/Intelligence

THROUGH: Assistant Director for Research and Reports
Acting Chief, Coordination Area

FROM: Executive Secretary, EIC *O.P.J.*

SUBJECT: Economic Analysis of Developments in Key Peripheral
Non-Bloc Countries

I. THE PROBLEM:

To improve the coverage and quality of finished intelligence on developing economic situations in key peripheral non-Bloc countries - for better guidance of U.S. policy and operational decisions.

The issue presented rests on the following judgements:

A. Free world countries on the periphery of the Sino-Soviet Bloc are of particular strategic importance in the struggle with Communism.

B. Internal and international economic conditions and relationships are major influences on - and in some cases may determine - the emerging loyalties and effective strengths of peoples and governments of these countries.

C. Yet up-to-date finished intelligence on present and prospective economic developments in these non-Bloc countries is generally unavailable or inadequate.

II. RESPONSIBILITIES OF CIA:

A. NSCID 15 (June 1951) "authorizes and directs" CIA to:

1. "Maintain a continuing review of the requirements of the U.S. Government for foreign economic intelligence relating to the national security, and of the facilities and arrangements available to meet these requirements..."

2. "Insure through regular procedures that the full economic knowledge and technical talent available in the Government is brought to bear on important issues involving national security..."

STATE, USAID, ARMY reviews completed. On file release instructions from Commerce, USDA & HHS apply.

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B. To implement these responsibilities, the DCI established the Economic Intelligence Committee, chaired by CIA. Its Terms of Reference (IAC-D-22/1, May 1951) charge it (among other things) to:

1. "Maintain a continuing review of the foreign economic intelligence activities of the U.S. Government..."
2. "Review and report to the IAC... on the pertinence, extent, and quality of the data and analysis available..."
3. "Arrange concerted economic intelligence support on selected major issues for studies of interagency interest requested by the IAC, JCS, etc."
4. "Prepare coordinated reports which present the best available foreign economic intelligence."

C. Although EIC efforts to date have been primarily concentrated on the Sino-Soviet Bloc, the CIA and EIC coordinating responsibilities listed above apply equally to non-Bloc areas. Primary agency responsibility for non-Bloc economic intelligence, however, was assigned to the Department of State in DCID 15/1; since when OIR has shown increasing resistance to coordinating its analysis of non-Bloc economies with such non-IAC agencies as Agriculture, ICA, Commerce, Public Health (HEW), the Export-Import Bank, etc. - either through EIC channels or by direct discussion with technicians of these agencies.

1. These agencies are all associate members of the EIC; and under EIC procedures should have the same responsibilities and voice as IAC members whenever their agency interests or competencies are directly relevant to particular problems.
2. In fact under the EIC's Terms of Reference - as established by the DCI with IAC concurrence - it is stipulated that if any EIC disagreement must be referred to the IAC, "all agencies directly concerned shall be asked to sit with the Intelligence Advisory Committee for the consideration of such questions." (From paragraph 5, IAC-D-22/1, underlining supplied.)

Such language was clearly intended to give the associate (non-IAC) members of EIC with direct responsibilities for, and knowledge of, particular non-Bloc areas an important voice and responsibility in the production of finished economic intelligence on such areas.

D. Furthermore, the military services (IAC) are assigned important specific responsibilities (in DCID 15/1) for non-Bloc economic intelligence closely related to military operations or planning - particularly for transportation and communication aspects of non-Bloc economies.

1. Production of NIE and NIS contributions on rail, highway, and inland waterway transport is undertaken by the Transportation Corps under G-2; maritime shipping and cargoes, and harbor and port facilities are the responsibility of ONI; and air facilities and traffic are covered by AFOIN. Communications systems, networks, and traffic are the responsibility of Signal Corps (SCIA) under G-2.

2. At the last meeting of the EIC Subcommittee on Electronics and Telecommunications the Army Chairman (from SCIA) stressed the increased priority which his office has recently been placing on the production of basic intelligence studies on strategic non-Bloc countries. He proposed that his subcommittee begin to consider electronics and telecommunications problems in certain important non-Bloc countries of Europe and Asia instead of continuing to confine itself to the Sino-Soviet Bloc.

There seems no reason why the established EIC mechanism should not facilitate the integration of contributions from these various IAC, and non-IAC agencies into a coordinated economic picture of key non-Bloc countries - except OIR's refusal to utilize EIC channels, as ORR uses them to support analysis of Sino-Soviet Bloc problems.

III. DISCUSSION:

A. Under present budgetary limitations and work pressures, no single agency is staffed to maintain an up-to-date program of finished research analysis in depth of the current and prospective economic situations developing in key non-Bloc areas.

1. OIR, State, is primarily engaged in meeting spot requirements of senior State Department or other top-policy officials for "briefs" or special papers on specific issues, and in preparing periodic contributions to the NIE and NIS series. These pressures on an extremely limited staff oblige OIR normally to rely on writing up its background file material into summaries, rather than to undertake critical economic analysis, in depth, of the detailed situations involved.

a. OIR denies that survey listings of intelligence production can assist in the identification of priority "gaps" in finished research on non-Bloc areas. In their view, no "requirement" for any study can be anticipated unless and until a specific request has been levied by a high-level intelligence consumer - and no "inefficiency" in non-Bloc economic intelligence is to be recognized until OIR has failed to produce such a study in response to a particular request.

b. More important, OIR spokesmen insist that the accomplishments, problems and prospects of U.S. and other foreign aid programs are too directly related to policy and operational decisions to be properly included in "intelligence" analyses. In fact, OIR contributions in NIE's, NIS's, etc., reflect very little knowledge of economic development opportunities and programs in peripheral areas. And when State (in 1953) needed a thorough study on "Probable Consequences of Reduction or Withdrawal of U.S. Aid from Yugoslavia", OIR urged the establishment of an EIC working group to assist it in producing a coordinated report (EIC-R-10). Yet, this type of analysis is precisely what the EIC representative of State now denies to be proper "intelligence".

2. The NIS program does not attempt to provide analyses of current situations requiring immediate policy or operational decisions. NIS economic chapters are essentially background materials. Although every effort is made to update chapters and to continuously add new material to the files of NIS contributors, present actual coverage of the 19 peripheral non-Bloc countries in published NIS chapters is spotty and dated (See Attachment 1).

a. Only 2 of the 19 summaries (Chapter I) have so far been produced, for Thailand and for Iran - and the latter is already two years old.

b. While about half the detailed economic sections have been published, the data included is largely pre-Korean-War. Thus most sections on Korea, and Indo-China treat them as integrated economies - and the basic transportation and communications sections on India and Pakistan reflect conditions prior to partition! In a sampling of completed economic sections most statistics dated back to 1948-51, and quite a bit of the basic data is even earlier (See Attachment 1, a).

c. The NIS program has proven unresponsive to immediate "crash" demands. Thus attempts last fall to step up production of NIS sections on the Indonesian economy were totally unsuccessful; and NIS economic coverage of that key area (including "in production" sections) is still essentially zero nearly a year later.

d. Although the NIS program has recently been considerably strengthened, senior officers in a number of agencies involved in NIS production report that contributions to economic sections on non-Bloc areas still fall considerably short of standards for Sino-Soviet countries. Staff assigned to write individual sections are not always the ablest analysts of the responsible agency. Indeed, the impression is strongly current that not all analysts

[redacted] are free from agency pressures to undertake non-NIS responsibilities. (CIA staff responsible for over-all direction of the NIS program have privately indicated their own present capability to cover economic intelligence on non-Bloc areas.)

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3. The Department of Agriculture has been assigned full responsibility for reporting and analyzing agricultural aspects of non-Bloc economies - including the appointment of agricultural attachés, and all other agricultural services formerly under State. They are also responsible for the disposal overseas of up to \$1,500 million of U.S. agricultural surpluses under Public Law 480 - involving potential "foreign aid" allotments of substantial magnitudes.

a. The authorized attaché staff under Agriculture has recently been increased by nearly 50 per cent to restore previous State Department cutbacks (allegedly reflecting State's relative lack of interest in agricultural situations overseas).

b. But OFAS has not so far been able to schedule a systematic program of economic research in depth on the agricultural and marketing situations in even "key" non-Bloc countries. Concern over this current inability has been strongly expressed to me by the Administrator of the Office of Foreign Agricultural Services and by several of his top staff. They are most anxious to obtain better analyses of internal production, consumption, and marketing situations - to guide U.S. international trade and surplus disposal programs. They are presently "staffing up" to undertake such analyses, and would welcome community support in the preparation of priority studies.

4. ICA (formerly FOA) has substantially cut down their research personnel in the last two years and recently reported (for the second time) to the EIC that they currently undertake no finished research in depth on particular countries. Yet senior officials there, also have expressed concern that the over-all picture of non-Bloc countries presented to higher echelons ought to lay greater stress on economic development opportunities and problems.

a. The ICA member of EIC criticized the recent OIR paper on the Indonesian economy for inadequate treatment of these factors, and recommended "updating" the paper to include a fuller analysis of the foreign aid program and its potential for Indonesian economic development (See Attachments 2 and 3).

b. The ICA reports office maintains the most complete statistical data available on the changing economic situations in virtually all the peripheral non-Bloc countries. Pertinent data, and a summary of developments in the aid program and in the outlook for economic expansion are kept up-to-date monthly.

c. ICA, furthermore, has recently begun to grind a substantial analysis-of-operations effort into Progress Reports of the Operations Coordinating Board covering key non-Bloc countries. (See Paragraph III, D, 2, p. 10f.) (I am informed, in

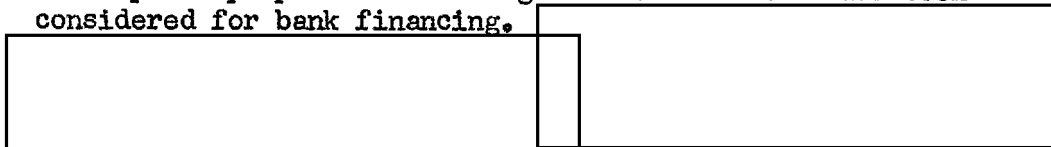
confidence, that an ICA staff study proposing a substantial re-expansion of program analysis and research staff is now before Mr. Hollister for decision.)

5. A number of other agencies could make important contributions to analysis of the current economic situations in key peripheral non-Bloc countries. Among the more important are:

a. The Departments of Commerce and Interior, which are each already represented on half a dozen EIC subcommittees. Commerce in particular has expressed a continuing interest in expanding its participation in EIC subcommittee activities by drawing on its Business and Defense Services Administration from which it has recently made available several new subcommittee members. (Commerce has particularly stressed its potential for assisting the EIC in the development and implementation of requirements for trade and other foreign economic data. This interest of Commerce has been repeatedly frustrated by OIR opposition. Although Dr. Guthe as Chairman of the EIC has assured Commerce in writing of the EIC's desire to have a Commerce representative contribute to the activities of the Subcommittee on Requirements and Facilities for Collation - the OIR chairman of this subcommittee has made it clear that Commerce will never be invited to a meeting while he presides over this group.)

b. The Division of International Health of the U.S. Public Health Service (HEW), which staffs or recruits for many U.S. and volunteer agency overseas missions providing technical assistance in health and sanitation - especially to the under-developed countries. Their participation in overseas surveys of nutritional conditions, food supplies, etc., represents an important source of classified information on economic conditions and the welfare of the common man in all parts of the world. (See Paragraph III, D, 4a, p. 12f.)

c. The Export-Import Bank, which is in special position to judge and comment on the economic "feasibility" of many resource development proposals of foreign countries which have been considered for bank financing.



6. Throughout the U.S. Government there are individually competent analysts with specialized backgrounds on particular areas - who might well be co-opted on an "ad hoc" basis to assist in the preparation of high-priority studies.

a. This was widely done in World War II analysis of economic situations in liberated and enemy-occupied countries; and EIC has drawn upon several able individuals for contributions to economic intelligence problems in which the interest of their own agencies was, at most, peripheral (e.g., from Commerce on Soviet rail capacities and from Federal Reserve on Sino-Soviet payments balances).

b. In particular, selected individuals from the Geographic Area, ORR (familiar with regional ecologies), OCI, ONE - and from the State Department desks might be in position to give valuable guidance in the planning and/or review of papers on key non-Bloc countries.

B. Despite the pressures on staffs of each separate agency concerned with analysis of foreign economic situations, a great improvement in quality of finished analysis could be attained by a cooperative approach to selected priority problems.

1. In theory, OIR could coordinate directly with other interested agencies without making use of the EIC or any other committee channels.

a. OIR emphasizes, however, that the small size of its staff and the pressure under which they work makes them reluctant to "waste time" in trying to get agreement with non-IAC agencies which they regard as "not responsible" for intelligence matters. (It should be noted that this position begs the whole question of why coordination of economic intelligence was required, in NSCID 15, in the first place. Any agency is free to consult any other agency on any problem - but this does not mean that coordination through established committees is therefore unnecessary.)

b. Furthermore, OIR reflects (perhaps even exaggerates) the traditional State Department relative lack of interest in the details of foreign agricultural situations and in technical assistance and other specific activities of U.S. foreign aid programs - although they usually are interested in the political effects of a sizeable aid grant. This means that OIR staff - and consequently the NIE's to which they contribute - pay relatively little attention to agriculture, on which most of the non-Bloc peripheral economies are based, and give even less consideration to the specific problems of development being faced by U.S. aid missions - except in those cases where the total size of a U.S. aid grant is of major political importance.

c. State Department policy attitudes toward such U.S. programs as agricultural surplus disposal, developmental aid, economic and military aid, land and labor reform, etc. may differ considerably from the views of the Department of Agriculture, ICA, USIA, the Department of Labor, etc. on the same points; and this may make OIR reluctant to consult offices which might propose substantially different emphases.

2. In practice OIR consultation with other agencies has been sporadic and superficial - even when EIC coordination channels were supposedly to be utilized. This was well brought out in EIC attempts to meet the request of the DD/I last November for a coordinated study of the economic situation in Indonesia. (See Attachments 2 and 3 and also Recommendation D, Section V, p. 150)

a. Instead of agreeing to the requested EIC-coordinated study, OIR undertook to satisfy the DD/I's request by expanding its already planned contribution to the NIE on Indonesia, due in February 1955. The EIC was specifically assured that OIR would "maintain close contact with both FOA and OFAS/Agriculture during the preparation of State's contribution" (EIC Minutes of 17 December 1954). Yet OIR contact was confined to a single visit to each agency, primarily to obtain pertinent file materials.

b. OIR has persistently blocked calling any meeting of the Working Group on Indonesia, which the EIC set up to facilitate production of this study and to review its adequacy to meet the request of the DD/I - although it was OIR who had proposed creation of this review group as a compromise with the DD/I's request for a coordinated EIC study. (See Attachment 2) It also flatly refused my request, as Secretary of the Working Group, to let FOA and OFAS/Agriculture see the OIR draft paper during the five month interval between its preparation and its final publication.

c. When the published OIR report on Indonesia was finally transmitted to members of the Working Group it was accompanied by a note insisting the group be disbanded without meeting on the paper. All that OIR would agree to - despite clear terms of reference from the EIC on December 2 and 17, 1954 (See Attachment 2) - was that the separate agencies and the Executive Secretary might write OIR their individual comments.

d. Although ICA, FAS and CIA comments all recommended the paper be "up-dated" (See Attachment 3) to take account of a major change in Indonesian political attitudes toward foreign economic aid, - and therefore to provide an expanded and coordinated treatment of Indonesian economic development problems and opportunities - OIR menely replied that:

"Although all three sets of comments are helpful and will be useful in our future work on Indonesia, we do not believe that they require revision of IR-6865.

"Looking to the future, we do not foresee any economic requirements on Indonesia which cannot be handled on a single-agency basis*, or through the existing coordination machinery of the NIS and the NIE programs. We therefore endorse the recommendation of Ed Fried, the former OIR chairman of the Indonesian working group, that the group be dissolved."

(This is directly opposed to the recommendations of FAS, ICA and the EIC Secretariat - so that EIC must now decide between these two views.)

C. Listings (surveys) of economic research on selected non-Bloc peripheral areas (undertaken recently by EIC through its Secretariat) bring out the inadequate coverage of finished economic intelligence on non-Bloc countries. For example:

1. Except for NIS publications (whose scanty coverage has already been mentioned), no classified analysis of any agricultural problem on any non-Bloc peripheral area was completed or undertaken during the entire calendar year of 1954. Yet most of these peripheral countries are primarily agricultural.
2. No analysis of the critical Land Reform programs undertaken in such countries as India, Egypt, and Iran has been undertaken since these programs were introduced several years ago - although these programs remain burning issues for Communist agitation in each country.
3. When the EIC study of the Indonesian economy was proposed last November, one of the more convincing justifications was the fact that only a few limited aspects of the Indonesian economy had been covered in any intelligence report published since 1950; and that

* Underlining supplied. O.B.P., Jr.

the data reflected in such partial reports were two to three years out of date. The situation as regards over-all studies of other key peripheral economies appears little better.

D. There have recently been increased demands from high U.S. policy levels for coordinated, highly-classified analysis of key international economic situations and problems - not adequately covered by other standing inter-agency arrangements.

1. The Dodge Council's request for an interdepartmental study of "East-West Trade" resulted in about twenty "ad hoc" studies of international trade relations and movements related to "defense controls" - which cut across both Bloc and non-Bloc areas. The EIC might well have produced or made important contributions to at least six or eight of these reports - had it commanded the respect and support from the intelligence community which it should deserve. The Francis Committee is undertaking a similar study of the problems of agricultural surplus disposal; and Department of Agriculture officials have expressed concern that the various contributions obtained may not reflect a proper balance of various viewpoints, which EIC coordination would have assured.

2. The Operations Coordinating Board staff has noticeably been steadily increasing the "economic developments" content of OCB "Progress Reports", bolstered up by much fuller (unpublished) background analyses, called "Detailed Developments of Basic Programs" which spell out the accomplishments and problems of military and economic aid, public information programs, etc., in strategic non-Bloc countries - not otherwise available in systematic presentation. These are requiring a progressively greater analysis effort from operating staffs of the agencies concerned - notably by the International Cooperation Administration which reported weeks of intensive effort on recent reports on Iran, Pakistan and the Arab states.

a. Yet State Department chairmen of several of the OCB working groups which I attended assured me that State intelligence officers are generally unaware of these analyses - which are not made available to OIR. Although OIR has access to the cabled reports which in part underlie these analyses, the State desk officers doubted that OIR staff have time or occasion to attempt their own syntheses of such scattered materials. (These "Detailed Developments" papers had not even been circulated to the DD/I; but with DD/P cooperation the undersigned has now arranged to circulate a copy of these to interested offices in ONE, OCI and ORR.)

b. Since OIR commands the IAC channel for intelligence contributions on the economies of non-Bloc countries, these OCB reports and judgements are also not taken into consideration in National Intelligence Estimates of the "Probable Developments"

in these countries. Yet one of the most important emphases in the OCB reports is on "Emerging Problems" - surely of vital concern in estimating "Probable Developments."

c. On the other hand the OCB working groups, in turn, are denied the advantages of direct participation by representatives of the intelligence-research community - except as information filters through to the separate operating staffs from their own agencies' intelligence offices. CIA is generally responsible for the provision of intelligence support to OCB; and participants in OCB working groups have repeatedly indicated that their Board representatives "looked to Allen Dulles" for background intelligence on the various country situations. Direct CIA participation on the working groups, however, is currently provided through DD/P - whose representatives are directly familiar only with covert operations.

(Draft OCB progress reports - but not the Detailed Development Papers - are submitted by the DD/P representative to DD/I for comments or concurrence; and thus intelligence background available in OCI and ONE is indirectly brought into the OCB working groups. Furthermore the senior DD/P representative of CIA to OCB has been most cooperative in arranging for the undersigned to attend meetings of OCB working groups dealing with peripheral non-Bloc areas, in an "observer" status. Nevertheless, senior OCB staff have privately indicated the desirability of more active DD/I participation in OCB working groups; since covert operations are not reflected in these reports, and general intelligence background is ordinarily available through DD/I rather than through DD/P in CIA.)

3. Important policy decisions on foreign economic issues have continued to be made with little, if any, written staff analysis in support. Thus last winter, when the Dulles-Stassen proposals for an expanded aid program to South and South East Asia - on a regional development basis - were before the NSC, a special State/FOA working group was supposed to provide staff analysis. According to senior OIR and FOA officials some seven or eight papers were distributed under the aegis of this group - and copies of each were made available to the undersigned. None was more than a cursory summary of past aid expenditures and accomplishments; and none discussed future needs. Not even the NSC paper presenting the larger figures proposed included any justification, or argumentation, for either a regional approach or an expanded total program (unless there was an NSC Planning Board study of which my contacts were unaware). Apparently the whole proposal was presented largely orally, and the decisions were arrived at on the basis of the general orientations of key cabinet members concerned - without any organized analysis of facts bearing on the issue.

4. So far few demands for more adequate analysis of peripheral non-Bloc economies have been levied directly on the intelligence community. But a number of able individuals, contributing to intelligence production, in Agriculture, ICA, Commerce, OCI, ONE and even in OIR itself, express their concern that more adequate recognition be accorded - in materials reaching policy-level officials - to the growing importance of economic (as opposed to military) factors in the continuing struggle between the Free and Communist Worlds. More concrete indications of expanding interest in hitherto largely uncovered economic aspects of peripheral non-Bloc countries include:

a. Recent establishment of an Interdepartmental Committee on (overseas) Nutrition for National Defense. This group includes public health, nutrition, and agricultural officials organized (for intensive secret and top-secret studies) into several subcommittees and supported by a full-time secretariat (3 professionals) located in the National Institute of Health. They are concentrating largely on the underdeveloped countries peripheral to the Sino-Soviet Bloc and are currently undertaking active surveys of nutritional conditions and U.S. agricultural-surplus disposal possibilities in Pakistan, Iran and Turkey. (The OSI participant in recent meetings expressed to me his strong conviction that the results of these surveys would be of great significance to intelligence analysis. The State Department areas have liaison with this group - but OIR does not.)

b. DD/P and ORR are in process of building up a joint research program to analyze Soviet penetration of key non-Bloc countries; though senior staff involved have emphasized the dearth of available background studies for such analysis.

E. An essential consideration in attempting to correct this situation is the marked sensitivity of OIR to any other agency's or group's involvement in what they regard as their own last assigned field of economic-intelligence responsibility within IAC - i.e., for economic-intelligence on the entire non-Bloc area (DCID 15/1). It should be born in mind that:

1. If OIR should feel the EIC mechanism were being used to threaten their own position, this would probably consolidate OIR's present negativism toward the EIC into an active hostile attempt to undercut EIC, and jeopardize the accepted responsibilities of EIC for coordinating economic analysis of the Sino-Soviet Bloc.

2. Interagency coordination and sharing of the burden of research for completing priority studies on non-Bloc areas would certainly greatly improve the quality of finished intelligence research. On the other hand, cooperation, alone, does not offer much prospect

for lightening the over-all load which such studies would place on the principal agency staffs involved - who will remain reluctant to undertake an expanded total program of studies in depth on key non-Bloc economies, unless their present staffs are strengthened.

3. To service the requirements of ONE and the NSC (the preparation of National Estimates, NIS chapters, and other specific studies), it is important that there be some established office - such as OIR - prepared to undertake such non-Bloc economic analysis as is presently programmed - however limited OIR's present program and capabilities may be.

IV. CONCLUSIONS:

A. At present neither the factual background required for intelligent U.S. policy decisions nor the operational guidance needed for established U.S. overseas programs is being adequately provided by economic-intelligence analysis of key peripheral non-Bloc countries.

B. Administration interest in better economic analysis to support policy and operational decisions on non-Bloc areas has been demonstrated by the expansion of foreign economic analysis in "ad hoc" studies for the Dodge Council and the Operations Coordinating Board. It is important to bring together the "problem-approach" analysis of the operating agencies with materials available only through the intelligence community. Either approach, separately, is likely to omit essential factual considerations.

C. It is within the capacities of existing offices in the EIC community to substantially improve the quality of economic intelligence analysis by improved coordination and mutual assistance - for which EIC provides an already established channel. Increase in the total coverage of scheduled research which government offices can undertake on key non-Bloc areas will require a more clearly expressed demand for, and support of, such analysis from higher-policy levels. An increased budgetary provision for strengthened staffs in certain offices will probably be required if systematic programming of current economic analysis of even the most important peripheral non-Bloc economies is to be supported.

V. RECOMMENDATIONS:

If the DD/I agrees that (1) up-to-date finished intelligence coverage of recent and prospective economic developments in key peripheral non-Bloc countries is required, and that (2) present arrangements are not adequately meeting this need - then it is suggested that the DD/I:

A. Call the attention of the DCI to present deficiencies in the discharge of CIA's assigned responsibilities under NSCID 15*. (If the DD/I feels that a further study of present arrangements and accomplishments should be undertaken, the undersigned would welcome the opportunity to contribute to such a study.)

* See Paragraph II, A, 2, page 1, above.

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B. Encourage increased consultation of and coordination with non-IAC agencies in the preparation of interagency economic intelligence production under IAC. Specific steps which might be taken include:

1. Putting the weight of the DD/I's influence behind the adoption of a policy that NIE's and other IAC intelligence studies of over-all situations in key peripheral non-Bloc areas should direct increased attention to economic factors involved. ONE and other DD/I staffs should be asked to use all tactful means to encourage offices with primary responsibility for economic contributions or studies on non-Bloc areas (OIR, Transportation Corps, SCIA, etc.) to place greater reliance on interagency coordination with non-IAC offices in preparing such materials. In the case of intelligence reports directly concerned with judgements of probable economic developments in key peripheral non-Bloc countries such interagency coordination should be assured by the assignment of coordinating responsibilities to established EIC channels.

2. Stimulating requests for selected studies of priority economic problems in peripheral non-Bloc areas through such bodies as the NSC Planning Board, the Operations Coordinating Board, the Board of National Estimates, the Intelligence Advisory Committee, and DD/P (CIA). To the extent feasible a systematic program should be laid on to cover the key economic problem-situations in the most strategic peripheral countries. (Such requests, however, should emanate from as high and broad-interest levels as can be arranged, to avoid giving any impression of DD/I intent to embarrass or expose OIR limitations.)

3. Personally contacting (at DD/I or DCI levels) senior officials of State, Agriculture, ICA, etc. in an effort to interest policy levels of the principal agencies concerned in the assistance which interagency coordination, and particularly EIC arrangements, might provide their offices in discharging their own assigned responsibilities.*

* NOTE: Increased interagency coordination will obviously be more acceptable to State if OIR does not feel its own situation jeopardized. A choice may have to be made between:

a. utilizing the best available means of strengthening and lending support to OIR, as part of a total effort at improving inter-agency coordination in support of economic research on key non-Bloc areas, or

b. generating additional requests for studies (in OIR's general area of primary responsibility) until the inadequacies of present OIR capabilities and coordinating arrangements become so clear that a major reassignment of agency responsibilities might be directed at IAC or NSC levels. Such a course, however, would probably jeopardize present EIC and other interagency coordinating arrangements, meanwhile.

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C. Arrange increased intelligence (IAC) support for the progress reports of the Operations Coordinating Board, and for interdepartmental studies undertaken for the Dodge Council, Francis Committee and other policy-recommending bodies studying international economic situations.

1. OCB senior staff have expressed a desire for greater DDI area participation in OCB working groups; and it is believed the DD/P area would not be averse to sharing their present responsibility. If it is generally agreed that the EIC should assume a more active role in coordinating economic intelligence on key non-Bloc areas, consideration might be given to using the EIC Secretariat to coordinate DD/I area "staffing", for the DD/P representatives on the various working groups (on OCB draft reports - checking them with interested OCI, ONE, ORR, and OSI offices.)

2. The EIC has already produced a dozen reports on such important international trade issues as Communist China's trade and transport, the effectiveness of trade controls against Bloc countries, the dependence of the Free World and Sino-Soviet Bloc on imports of various strategic materials, and world availabilities of and requirements for certain U.S. agricultural products now in surplus. EIC subcommittees and "ad hoc" working groups might properly be called on for interagency intelligence support for the type of factual study of international economic problems which has recently been generated by the Dodge and Francis groups.

D. Press for a more satisfactory compliance with the DD/I's outstanding request to the EIC (last November) for a coordinated study on the Indonesian economy. This attempt through EIC to induce OIR to undertake a coordinated interagency approach to a study of a non-Bloc economy must be considered an important "test case." Although the means by which interagency coordination is assured (i.e., whether or not through EIC channels) may be relatively unimportant, to acknowledge our failure to achieve some form of effective interagency coordination in this case - when it was specifically requested by the DD/I and promised by OIR - would make it far more difficult to achieve any interagency coordination in another case. It is recommended that:

1. The DD/I should instruct the AD/RR and the Executive Secretary, EIC, to accept the OIR report of last May as an interim response to his request of last November - providing that OIR in the preparation of its new contribution to the coming revised NIE on Indonesia will undertake to:

a. take serious account of the detailed recommendations of the other members of the EIC working group on Indonesia as to the revisions in that paper which they believe appropriate. (It is pointed out that if OIR does take such account of these comments - as it has already said it will do - this would be equivalent to an "updating" of the earlier study as recommended to OIR by all three of the other agencies concerned

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- b. coordinate OIR's preliminary draft of this new study with ICA, FAS/Agriculture and other directly interested agencies (perhaps Commerce and Export-Import).
2. The AD/RR as Chairman of the EIC should propose - in order to assure that interagency coordination is in fact achieved -
- a. that the EIC Working Group on Indonesia be continued (See recommendations of all participants other than OIR - in Attachment 3) to assist in and review preparation of this material, and
 - b. that chairmanship of the Working Group be transferred from OIR to the ONE staff officer assigned to monitor the NIE in question. (See Recommendation B, 1, p. 14. above.)

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Executive Secretary
Economic Intelligence Committee

NOTE: It is requested that the Executive Secretary, EIC, be given an opportunity to participate in a discussion of this whole problem with the DD/I, the AD/RR, and the Ch/C/RR - in order that the EIC Secretariat have the benefit of their collective guidance in orienting its own future relationships with OIR in non-Bloc questions. (For example, the first, trial EIC survey listing of finished research on non-Bloc peripheral economies is currently under review in EIC, and OIR has indicated they will offer a number of objections to continuation of such surveys with present coverage and content.)

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Status of Economic Sections of the
National Intelligence Surveys 1/
(including Population and Manpower)
as of 31 March 1955

Chapter I (Over-all Summary)	Chapter III (Transportation and Telecommunications)	Chapter IV (Secs. 41-Population & 44-Manpower)	Chapter VI (Economic)	Supplements I- Ports & N. Facil. II-Air Facil. III-Telecommunica- tions V-Petroleum
	Section: 1/	Section: 1/	Section: 1/	Supplement: 1/
Afghanistan	32 - 4/53 33 - 11/52 38 - 11/53		62 - 4/54 64 - 7/54 65 - 5/54	
Austria	30 - 7/54 31 - 5/52 32 - 6/52 33 - 3/52 37 - 7/51 38 - 7/52	41 - 10/54 44 - 6/54		III - 7/52 V - 3/53
Burma	30 - 7/54 31 - 1/52 32 - 4/52 33 - 4/52 35 - 5/53 36 - 2/53 37 - 6/51 38 - 9/53		62 - 1/54 64 - P	
Ceylon	31 - 5/54 32 - 10/53 35 - P 38 - 8/54		65 - 1/55	
Finland	30 - 11/53 31 - 5/51 32 - 5/51 33 - 3/51 35 - 3/52 36 - 11/50 37 - 2/53 38 - 4/51	41 - 5/54 44 - P	65 - P	I - 3/52
	36M - P 3/ 38M - C		61 - P 62 - P 63 - P	V - P

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1/ - The date after each section indicates the stated publication date but not necessarily the date of actual printing and distribution. P indicates that a report is in progress but has not been published. (It may be in any form from a rough first draft to a nearly finished product ready for publication.) In all cases the data in the published reports antedates the report by at least a year or two; in some cases by a considerably longer period.

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2/ - There is also a NIS series [redacted]
3/ - M after a section number indicates a revision under the "maintenance" program.

	Chapter I	Chapter III	Chapter IV	Chapter VI	Supplement
	Section:	Section:	Section:	Section:	Supplement:
Greece		30 - 6/54 31 - 9/51 32 - 1/52 33 - 1/52 35 - 1/52 36 - 12/51 37 - 11/52 38 - 10/51	41 - 12/51	61 - 1/53 62 - 1/52 63 - 3/52 64 - 2/52 65 - 2/52	I - P III - 10/51
India		30 - 12/54 4/ 31 - 5/51 4/ 32 - 10/51 4/ 33 - 12/49 4/ 35 - 5/52 36 - ? 37 - 3/52 38 - 6/52	41 - 8/51 44 - 4/51	60 - 12/52 61 - 1/54 62 - 1/53 63 - 3/52 64 - 5/52 65 - ?	I - 5/52 V - P
Indochina (So.) 5/		30 - 4/54 31 - 8/51 32 - C? 33 - 10/51 34 - C? 35 - 4/52 36 - 6/52 37 - 11/51 38 - 9/51	41 - 7/54 44 - 7/54	60 - P 61 - P 62 - 7/53 63 - 10/53 64 - 3/53 65 - 5/54	I - 4/52
Indonesia		36 - 3/53			I - P V - 7/53
Indonesia (British)		31 - 7/52 32 - 4/52 33 - 5/52 35 - C? 36 - 7/52 38 - 1/54			V - 4/54
Iran	I - 12/53	30 - ? 31 - 12/50 32 - 7/54 33 - 1/49 34 - 11/48 35 - 7/49 36 - C? 37 - 11/48 38 - 7/49	41 - 4/50 44 - C?	60 - 1/51 61 - 8/50 62 - 3/50 63 - 3/50 64 - 1/50 65 - 10/50	IV - 4/51

- 4/ - Part of the NIS on India and Pakistan are combined in one volume, rather than separate sections for each country. These chapters are footnoted.
- 5/ - Most of the NIS series deal with Indochina as a whole, although there are now a few sections (not economic chapters, however) which have been published on the areas.

25X6	Chapter I	Chapter III	Chapter IV	Chapter VI	Supplement
	Section:	Section:	Section:	Section:	Supplement:
		31 - P		61 - P	
		32 - 3/53	41 - 3/54	62 - P	I - 6/54
		33 - 9/54	44 - P	63 - P	III - P
		35 - 6/54		64 - 5/53	V - 4/53
		36 - 5/53		65 - P	
		37 - P			
		38 - 9/53			
Korea (So.)		36 - P	41 - C?	60 - 8/51	
6/		37 - 3/50	44 - 4/52	61 - 10/49	
				62 - 3/50	
				63 - 2/50	
				64 - 2/50	
				65 - 2/51	
Pakistan		30 - 12/54 4/		60 - 2/54	
		31 - 5/51 4/	41 - 1/54	61 - P	
		32 - 10/51 4/	44 - 9/54	62 - 10/53	I - 6/52
		33 - 12/49 4/		63 - 12/53	III - P
		35 - C?		64 - 11/53	
		36 - 2/53		65 - 3/53	
		37 - 1/52			
		38 - C?			
Philippines		31 - 12/53			
		32 - P			
		33 - P			
		35 - P			
		37 - 3/53			
Thailand I - 1/55		30 - 6/54		60 - 9/54	
		31 - 11/51	41 - 12/51	61 - 12/52	I - 1/54
		32 - 2/52	44 - 3/52	62 - 2/52	
		33 - 12/51		63 - 2/52	
		35 - 12/51		64 - 3/52	
		36 - 8/52		65 - 9/52	
		37 - 8/51			
		38 - C?			
Turkey		30 - C?		60 - 7/49	
		31 - 10/51		61 - 1/49	
		32 - 2/52	41 - 7/49	62 - 8/49	I - 4/52
		33 - C?	44 - 12/49	63 - 7/49	III - 10/51
		35 - 4/52		64 - 4/49	
		36 - C?		65 - 1/49	
		37 - C?			
		37 M - P			
		38 - 10/51			

4/ - Op. Cit.

6/ - Most of the NIS series deal with Korea as a whole, although there are now a few sections (not economic chapters, however) which have been published on the areas.

	<u>Chapter I</u>	<u>Chapter III</u>	<u>Chapter IV</u>	<u>Chapter VI</u>	<u>Supplement</u>
	<u>Section:</u>	<u>Section:</u>	<u>Section:</u>	<u>Section:</u>	<u>Supplement:</u>
Yugo- slavia		30 - 4/53		60 - 7/52	
		31 - 11/50	41 - 11/50	61 - 6/52	I - 6/52
		32 - 5/52	44 - 6/51	62 - 10/51	
		33 - 7/51		63 - 9/50	
		35 - 6/52		64 - C?	
		36 - 9/50		65 - 1/51	
		37 - 1/54			
		38 - 11/50			

A rather hurried examination of the data contained in various Sections of the published NIS indicates considerable variance in the time coverage therein. A few of the reports examined indicate the following:

<u>Country</u>	<u>Section</u>	<u>Publication Date</u>	<u>Apparent Coverage</u> (Latest data included)
Finland	31	May 1951	1949 - 1950
	33	March 1951	1947-48
	37	February 1953	1952-3
	48	April 1951	about 1948
Austria	31	May 1952	1949-50
	33	March 1952	1946-47, 1950
	38	July 1952	1951-52
Yugoslavia	31	November 1950	1942-49
	33	July 1951	1948
	38	November 1950	1943, some 1950
	61	June 1952	1937-1948-1951
	62	October 1951	1939-1949
	63	September 1950	1949 latest (mostly 1937-8-9)
Greece	31	September 1951	1950
	33	January 1952	1951
	38	October 1951	1950
	62	January 1952	1949-50
	64	February 1952	1950
Turkey	32	February 1952	1951
	38	October 1951	1948-49
Iran	I	December 1953	
	32	July 1954	1952-53
	61	August 1950	1947-48
	IV	April 1951	1949
India	37	March 1952	1951-52
	63	March 1952	1950
	64	May 1952	1949-50
Ceylon	38	August 1954	1950-52
Burma	62	January 1954	1951-53
Korea	61	October 1949	1946-47, mostly pre-war
	64	February 1950	1938, 1946
Indonesia	36	March 1953	1950
<div style="border: 1px solid black; width: 150px; height: 20px;"></div>	64	May 1953	1951
	36	May 1953	1953
Indochina	41	July 1954	1951
Philippines	31	December 1953	1952

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